



CITY OF DURHAM | DURHAM COUNTY  
NORTH CAROLINA



**Date:** November 18, 2013

**To:** Thomas J. Bonfield, City Manager

**Through:** Keith Chadwell, Deputy City Manager

**From:** Steven L. Medlin, AICP, Planning Director

**Subject:** Coordinated Annexation Agenda Item for Mineral Springs Road Residential

**Executive Summary.** A request for utility extension agreement (EA), voluntary annexation, and zoning map change has been received from OMF, LLC for the Mineral Springs Road Residential development. The site is located on the east side of Mineral Springs Road, south of Delmar Drive and north of Windrush Lane. (Please see Attachment 1 for a project area context map).

The requested annexation is for 9.09 contiguous acres, and is within a “donut hole” area in which the City Council adopted a Resolution of Consideration to annex in early 2012.

The applicant in this case has requested an initial zoning designation of Planned Development Residential 4.14 (PDR 4.140) which would allow up to 33 single-family residential units. The requested zoning is consistent with the adopted Future Land Use Map, which designates this site as Low-Medium Density Residential (4-8 DU/Ac.) The current County zoning (RR, RS-20, and PDR 4.000 – County jurisdiction) would allow approximately 9 single-family houses on well and septic systems. (see Attachment 7 for the zoning staff report).

Public Works and Water Management performed the utility impact analysis for the utility extension agreement and the existing sanitary sewer and water mains have capacity for the proposed development. No offsite improvements will be required, other than extension of sewer and water service to the site.

Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue-positive immediately following annexation.

One motion, with three sub-components, is required by law to approve the utility extension agreement, voluntary annexation petition, and zoning map change.

**Alternatives and Recommendation.** Council has two alternatives:

Alternative 1) **Recommended Alternative:** Approve the EA, voluntary annexation, and zoning map change.

Alternative 2) Deny the EA and voluntary annexation petition. No action would be required or authorized on the zoning map change.

**Issues and Analysis.** This request involves three separate items: utility extension agreement, voluntary annexation, and zoning map change. Each item will be reviewed below:

#### Utility Extension Agreement

Approval of the EA would authorize the applicant to serve the site by connecting to the existing City water and sewer mains that are adjacent to the site. The existing sanitary sewer and water mains have capacity for the proposed development. No offsite improvements will be required, only proposed sewer and water mains within the projects scope will be required.

#### Voluntary Annexation Petition

The Administration is requesting the Council conduct a public hearing and consider annexation of the subject property with an effective date of September 30, 2013. The public hearing will be held in compliance with N.C. General Statute 160A-31(c).

Annexation would require the provision of City services to the subject property. Budget and Management Services performed a fiscal impact analysis, which determined that the proposed annexation will be revenue positive immediately upon annexation.

#### Zoning Map Change

The applicant is requesting a zoning map change from RR, RS-20 and PDR 4.000 to PDR 4.140 for 33 single family residential units. This request would be consistent with all adopted City plans and policies. On September 10, 2013 the Planning Commission recommended approval by a vote of 11-0. Please see the zoning map change staff report (Attachment 7) for more information.

**Financial Impact.** The estimated annual General Fund revenues generated from this annexation area under the initial zoning map change at build out in FY2016-17 is \$66,356. The estimated annual General Fund expenditures associated with providing City services at build out is \$30,378. The estimated annual General Fund net gain to the City at build out is \$35,978. The cumulative estimated General Fund net gain to the City at build out is \$161,996.

Memorandum  
Mineral Springs Residential

CIP expenses are projected to be realized in FY2015-16. This includes an estimated proportional cost of \$11,686 (0.23%) for a new Fire Station, with a total cost of a new Fire Station estimated at \$5,150,000.

A cost-benefit analysis is attached that provides cost and revenue projections through FY2024-25, including CIP expenses.

The chart below contains additional details regarding projected departmental revenue and expense projections.

Department	Revenues	Expenses
Fire	N/A: Inspection fees apply to commercial development. This annexation petition is for residential development only.	Fire Station (CIP) & vehicles. The development site would comprise 0.23% of the service area; costs are prorated at this percentage.  Estimated operating costs at build out: \$0  Estimated capital and one-time costs at build out: \$0  Estimated CIP costs: \$11,686
Inspections	Impact Fees: Open Space, Street, Parks and Recreation Capital Facilities.  Total estimated impact fees: \$46,365	Net Zero: Assumes inspection revenues will cover cost of inspections.
Planning	Site plan review and plat review fee.  FY13 one-time revenue: \$5,960	N/A: Site plan and plat can be reviewed and processed without additional resources.
Police	N/A: There are no Police related revenues anticipated.	Personnel and operating costs: Allocation based on maintaining existing ratio of staff per population and square miles.  Estimated operating costs at build out: \$21,282
Public Works	Fees & reimbursements, less inspections and development review.  Estimated revenue at build out: \$161	Cost allocation for street maintenance, fuel, disposables, etc. for added street mileage.  Estimated operating costs at build-out: \$724
Solid Waste	Revenue from collected recyclables, yard waste subscriber fees, and the new solid waste fee.	Residential waste disposal, yard waste disposal and fuel.  Estimated operating costs at build out:

Department	Revenues	Expenses
	Estimated revenue at build out: \$1,491	\$5,839
Transportation	Revenue from paratransit service and Powell Bill reimbursement for signage and pavement marking maintenance.  Estimated revenue at build out: \$115	Cost of signage and street marker maintenance, paratransit service and thoroughfare streetlights.  Estimated operating costs at build out: \$2,533 which includes street lights which begin in third year.

**Utility Impacts.** The Departments of Public Works and Water Management have conducted a Utility Impact Analysis for the project referenced above. Based on the best available information, we find:

1. Based on the proposed use and the existing water system data there is adequate existing public water utility capacity to accommodate the proposed development.
2. The proposed utility improvements are the minimum necessary to accommodate the proposed development. The water service will be provided by tying into the existing water mains in Mineral Springs Road and/or the existing water main in Callandale Lane. The sanitary sewer service will be provided by tying into the sewer main current under construction as part of the Ashton Hall project in Callandale Lane.
3. Public Works is not requesting additional system capacity and/or components for the water or sanitary sewer system as the existing public infrastructure has sufficient capacity to accommodate the proposed development.
4. The utility system improvements proposed in the EA are consistent with the future land use map (FLUM) designation in the Comprehensive Plan. The future land uses for the surrounding service areas are residential. Based on the availability and capacity of existing water system the proposed water main extensions for this proposed development are consistent with the FLUM. The proposed sanitary improvements of this development are consistent with the FLUM.

**SDBE Summary.** This item has no known SDBE impact.

#### Attachments

- Attachment 1: Context Map
- Attachment 2: Aerial Map
- Attachment 3: Future Land Use Map
- Attachment 4: Utility Extension Agreement
- Attachment 5: Utility Life Cycle Costs

Memorandum  
Mineral Springs Residential

Attachment 6:	Cost/Benefit Analysis
Attachment 7:	Zoning Map Change Staff Report
Attachment 8:	Development Plan
Attachment 9:	Bicycle and Pedestrian Commission Memo
Attachment 10:	Planning Commission Summary and Written Comments
Attachment 11:	Legal Description
Attachment 12:	Clerk Certification
Attachment 13:	Annexation Ordinance
Attachment 14:	Zoning Map Change Ordinance